



**japanese  
chamber of commerce**  
of northern california



**Japan Business  
Association  
of Southern California**

December 2, 2005

Alan C. Lloyd, Ph.D.  
Secretary, California Environmental Protection Agency  
Chair, Climate Action Team  
1001 I Street  
Sacramento, CA 95812

Dear Secretary Lloyd,

The Japan Business Association of Southern California and the Japanese Chamber of Commerce of Northern California are comprised of over 900 Japan-affiliated investors in California. Nearly all of our affiliates operate under the control of their parent organizations in Japan, a country that is a signatory to the Kyoto Protocols on Climate Change.

In Japan, parent organizations have taken their responsibility toward environmental protection early and very seriously. Japan proudly stands at the forefront in making vast progress toward reducing greenhouse gas emissions. Today, California is one of many affected entities that benefits from Japanese investment in thoughtful technology and environmental practices that harmonize economic growth and environmental concerns. In fact, California has become the top market for clean products and clean manufacturing, including award-winning energy conservation efforts.

We appreciate the Governor's leadership. It encourages California to search for policy solutions that can reduce carbon dioxide emissions, improve energy efficiency and help avert global warming. However, it is critical to recognize that the Government of Japan, Keidanren (our comprehensive economic organization in Japan) and overseas parent companies are already working closely together on these efforts proactively as a matter of concern for humanity and business ethics, rather than regulatory obligation. These efforts not only apply to activities in Japan but also management overseas.

Japanese progress is grounded in adherence to a Charter of Corporate Behavior that includes efforts to contribute to the resolution of global warming. *If California moves too quickly or too inconsistently on the regulatory front, it could interrupt overseas policy development and cooperative environmental progress. At the least, we need enough advance notice and opportunity to reconcile differing cultural and economic approaches to environmental protection.<sup>1</sup>*

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December 1, 2005

Our organizations stand prepared to provide assistance to you as California looks at various implementation options. We have asked Scott Keene, our representative in Sacramento, to help facilitate cooperation. One area of particular interest is to encourage state investment in cost-effective incentives for reducing power consumption.

Thank you for the opportunity to initiate this dialogue. We hope that these views will provide the Climate Action Team with a new perspective that is valuable on the eve of the first draft guidelines.

Sincerely,



Kaz Sugiura  
Executive Director  
Japanese Chamber of Commerce  
of Northern California

Sincerely,



Masahiko Horiki  
Chairman, Business and Administration Committee  
Japan Business Association  
of Southern California

bcc:

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<sup>i</sup> Copies of Keidanren's Charter for Corporate Behavior and enforcement guidelines may be found at <http://www.keidanren.or.jp/english/policy/cgcb.html> Specific recommendations for implementation on environmental matters are located at <http://www.keidanren.or.jp/english/policy/csr/outline.html>